

**Project Nova Savings
Status at 30 September 2021**

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Saving proposals approved by Full Council on 12 February 2021

£000	Appendix B Savings	Savings achieved at Quarter 2 30/9/2021	Forecast Savings for the year 12m to 31/3/2021	Variance/ Shortfall for the year at Quarter 2
Adults and Communities (S1 to S3)	3,270	2,510	3,270	0
Children and Families (S4 to S9)	2,390	1,240	1,240	1,150
Economy and Place (S10 to S26)	4,348	1,619	2,306	2,042
Corporate (S27 to S28)	1,197	700	1,197	0
Total	11,205	6,069	8,013	3,192

Adults and Communities

Against a savings target of £3.270m, Adults and Communities are currently forecasting a shortfall as at Q2 of £760k as shown in the table below:

Ref	Savings scheme	2021/2022 Saving Target for the year	2021/2022 Savings achieved at Q2	2021/2022 Savings target shortfall at Q2	Narrative
S1	Learning disability and complex needs services redesign	1,500	1,045	455	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 by the time we reach the end of the financial year, with a possible crossover to the planned savings in S1. The current position of both of these savings proposals to be considered jointly as we progress through the financial year.
S2	Targeted review of complex cases	1,250	1,095	155	See above
S3	Maximisation of social care income	520	370	150	This savings proposal is on course to deliver the full savings target, with many of the reviews having already taken place.
Total		3,270	2,510	760	

At the end of Quarter 2, Adults and Communities are forecasting to deliver their full year savings target of £ 3.270 million.

Children and Families

Against a savings target of £2.390 million for 2021/2022, at the end of Quarter 4, Children and Families are currently forecasting a shortfall of £ 1.150 million as shown in the table below.

Ref	Savings scheme	2021/2022 Saving target for the year	2021/2022 Savings achieved at Q2	2021/22 Savings target shortfall at Q2	Narrative
S4	16+ Accommodation, Widemarsh Street	320	34	286	There are unlikely to be any savings on Bath Street unless there has been a change in occupancy (contract was costing nearly £200k more than the original costs of the first cohort of young people that went in the flats) and the Widemarsh savings won't change unless there has been turnover.
S5	Step down from residential care	1,000	637	363	A total of x6 children have stepped down from residential, with a potential x1 further child likely in January 2022. The plan to achieve £1m from 5 step downs was ambitious as it assumed step down of more expensive placements and that these would be full year savings rather than stepping down mid-year as has been the reality.
S6	Prevention of children becoming looked after and reunification of looked after children with families	567	569	(2)	£287K savings from last year that are carried forward to this year as these children were budgeted for as being in care. Savings from Q1 and Q2 – these are the savings for children that have returned home during Q1 or Q2 until the end of the financial year.
S7	Recruit 30 new foster carers per annum for 5 years	200	0	200	Delivery for the net gain of 25 more in-house foster carers is now likely to start by December/January but implementation will take several months to embed and see change so it is unlikely we will see any resultant financial savings by 31 March 2022.
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. There has been a delay in deploying the tool due to capacity issues in the Placements Team and so the tool is not yet in use.
	Reduce agency spend	83	0	83	Agency spend - 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	1,240	1,150	
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Economy and Place

At the end of Quarter 2, Economy and Place have achieved savings of £1.619 million but are forecasting a net shortfall of £2.042 million against their target savings of £ 4.348 million for the year.

The net shortfall is made up as follows:

Ref	Saving	Shortfall £000	Commentary
S10	Public Realm efficiency savings	115	Bin removal £95k full year no decision, PROW £20k no decision
S11	Streetworks & enforcement function efficiency improvements	(112)	Likely to be seasonal and charges audited and may reduce so forecasting to actual due to uncertainty
S12	Hereford Markets	8	Equipment budget adjusted but vacant post budget was removed as part of the £650k vacancy removal so not available for this
S13	Encourage waste minimisation	181	Costs £107k higher for Apr - Aug after accounting for 2.5% inflation like for like cost reduction only £8k forecast assumes similar performance for remainder of the year
S14	Directorate transformation and redesign	195	Balance unlikely to be achieved
S15	Parking Review	493	RAG rated red as limited options for recovery of shortfall
S17	Review of Property Estate	970	Good progress in respect of increased income but savings targets not achievable this year due stated reasons in the Risk Log
S19	Review weekend vehicle rental of council fleet vehicles	10	Moved to S22

S20	Review of Bereavement & Registrars income	35	not achieving income budget but this charges increase element
S22	Review of Regulatory, Environment and Waste division income	(10)	Over delivering by £10k as substitute for S19
S23	Pre-planning application advice full cost recovery	77	Awaiting further detail
S26	Introduction of natural burials and pet burials & cremations	80	This will not be achieved this year, not currently a plan for alternative achievement
Total		2,042	

Corporate

At the end of Quarter 2, Corporate Services have achieved savings of £700K and is forecasting to achieve the full £1,197K savings for the year.

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

Directorate	Ref	Name of proposal	a Appx B Feb 21 Savings £000	b Updated Appx B Savings 30/9/21	c Savings delivered to 30/9/21	d Variance 6 months to 30/9/21 (b-c)	e Full Year Forecast Savings at 30/9/21	f Full Year Forecast Variance at 30/9/21 (b-e)	g RAG Rating*
Adults and Communities	S1	Learning disability and complex needs services redesign	1,500	1,500	1,045	455	1,500	0	
Adults and Communities	S2	Targeted review of complex cases	1,250	1,250	1,095	155	1,250	0	
Adults and Communities	S3	Maximisation of social care income	520	520	370	150	520	0	
Children and Families	S4	16+ Accommodation - Widemarsh Street	320	320	34	286	34	286	
Children and Families	S5	Step down from residential care	1,000	1,000	637	363	637	363	
Children and Families	S6	Prevention of children becoming looked after and reunification of looked after children with families	400	567	569	(2)	569	(2)	

Children and Families	S7	Recruit 30 new foster carers per annum for 5 years	200	200	0	200	0	200	
Children and Families	S8	Full cost recovery of traded services	20	20	0	20	0	20	
Children and Families	S9	Manage inflation and secure contract efficiencies	450	200 83	0 0	200 83	0 0	200 83	
Economy and Place	S10	Public Realm efficiency savings	300	300	185	115	185	115	
Economy and Place	S11	Streetworks & enforcement function efficiency improvements	50	50	162	(112)	162	(112)	
Economy and Place	S12	Hereford Markets	15	15	7	8	7	8	
Economy and Place	S13	Encourage waste minimisation	200	200	8	192	19	181	
Economy and Place	S14	Directorate transformation and redesign	650	650	455	195	455	195	
Economy and Place	S15	Parking Review	900	900	96	804	407	493	
Economy and Place	S16	Technology and Lighting	90	90	50	40	90	0	
Economy and Place	S17	Review of Property Estate	1,000	1,000	30	970	30	970	
Economy and Place	S18	Review efficiency and utilisation of transport fleet	150	150	150	0	150	0	

Economy and Place	S19	Review weekend vehicle rental of council fleet vehicles	10	10	0	10	0	10	Moved to S22
Economy and Place	S20	Review of Bereavement & Registrars income	270	270	126	144	235	35	
Economy and Place	S21	Review Building Control services	115	115	28	87	115	0	
Economy and Place	S22	Review of Regulatory, Environment and Waste division income	115	115	42	73	125	(10)	Includes £10k for S19
Economy and Place	S23	Pre-planning application advice full cost recovery	100	100	7	93	23	77	
Economy and Place	S24	Efficiency Savings (already identified in Medium Term Financial Strategy)	273	273	273	0	273	0	
Economy and Place	S25	Use s106 Funding to cover full costs of delivering identified highway improvements	30	30	0	30	30	0	
Economy and Place	S26	Introduction of natural burials and pet burials & cremations	80	80	0	80	0	80	
Corporate	S27	Back office initiatives and efficiency savings	497	497	0	497	497	0	
Corporate	S28	Removal of contingency	700	700	700	0	700	0	
			11,205	11,205	6,069	5,136	8,013	3,192	

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

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