

**Savings Proposals
By Directorate
2022/2023**

Savings Targets by Directorate Medium Term Financial Strategy 2022/2023

Directorate	Savings Targets 2022/2023 £000		
	Year 1	Year 2	Year 3
Community Wellbeing	718	-	-
Children and Young People	-	-	-
Economy and Environment*	1,384	-	-
Corporate	-	-	-
Central	500	-	-
Total Savings Proposals	2,602	-	-

* Economy and Environment savings target will be met by reduced revenue through savings and also increased income from charging

Property Services £1.26 million savings will be funded from Collection Fund surplus

Savings Targets Profiled by Directorate Medium Term Financial Strategy 2022/2023

Directorate	Savings Targets Profiled over 3 Years MTFS £000			Savings Total £000
	Year 1	Year 2	Year 3	Total
Community Wellbeing	718	-	-	718
Children and Young People	-	-	-	-
Economy and Environment	577*	206	601	1,384
Corporate	-	-	-	-
Central	500	-	-	500
Total Savings Proposals	1,795	206	601	2,602

- Property Services £1.26 million savings will be funded from Collection Fund surplus
- * E & E £559k savings in year 1 plus additional savings of £18k in current year

Economy and Environment Savings Revenue through savings & increased income analysis Medium Term Financial Strategy 2022/2023

Directorate	Savings Targets Profiled over 3 Years MTFS £000			Savings Total £000
	Year 1	Year 2	Year 3	Total
Economy and Environment	577	206	601	1,384
Total Savings E & E Proposals	577	206	601	1,384

	Year 1	Year 2	Year 3	Total
Economy and Environment Revenue through savings	185	16	-	201
Economy and Environment Increased income from charging	374	190	601	1,165
Economy and Environment Additional savings in current year	18	-	-	18
Total Savings E & E Proposals	577	206	601	1,384

Community Wellbeing

Key Challenges and Issues

- Temporary accommodation budget pressures - due to people being housed in B&B's - unable to claim housing benefit to reduce the pressure – lack of suitable housing provision
- Potential reduction in client income pending the outcome of the Care & Support charging policy review – the impact is currently estimated to be circa £600k and is built into the current budget requirement figure
- Pressures in homecare due to staff shortages in the provider market
- Backlog/waiting lists/delayed discharges from care homes/hospital
- Operational workforce issues – i.e. difficulty recruiting permanent social workers, locums/agency costing double that of permanent staff

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Community Wellbeing	
Savings proposal <ul style="list-style-type: none"> CW1: Recommissioning Supported Living Service <p>(annualised saving of £492k)</p>	£123k Year 1
What will change <ul style="list-style-type: none"> The council's rate per hour for this service will reduce. We will work with provider markets collaboratively to ensure ongoing sustainability. 	
Why it will change <ul style="list-style-type: none"> The council will recommission Supported Living services with the aim of moving forward with a rate that aligns to our West Midlands peers. 	
Anticipated challenges <ul style="list-style-type: none"> Providers may challenge the recommissioning exercise. 	

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Community Wellbeing	
Savings proposal <ul style="list-style-type: none"> CW2: Continuing support for NHS Continuing Healthcare and NHS Section 117 Funding 	£250k Year 1
What will change <ul style="list-style-type: none"> Assurance that residents needs are met • with the right level of support, from the right agency • with appropriate funding 	
Why it will change <ul style="list-style-type: none"> That independence is achieved via a model of support which enables people to be supported with their health and social care needs even if they are very high or delivered jointly 	
Anticipated challenges <ul style="list-style-type: none"> Assessment & review capacity due to covid 19 pressures • System change and support • Appetite for legal challenge if required 	

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Community Wellbeing	
Savings proposal <ul style="list-style-type: none"> CW3: Demand Management 	£345k Year 1
What will change <ul style="list-style-type: none"> Not applicable. This continues the current approach. 	
Why/if it will change <ul style="list-style-type: none"> The council will continue on its trajectory of reduced demand using strengths based approaches and Talk Community. 	
Anticipated challenges <ul style="list-style-type: none"> As the strengths based approach matures, reduced costs and demand using this approach become increasingly difficult to deliver. 	

Children and Young People Key Challenges and Issues

- The directorate is on an improvement journey which will continue throughout the next financial year
- It is not currently in a position to develop achievable savings plans and the savings requirement of £490k in 2022/23 that were highlighted in the 2021/22 MTFS

Economy and Environment Key Challenges and Issues

- **Protecting the environment and responding to climate & ecological emergency**
 - Reducing carbon emissions – council owned estate and retrofit
 - Enhancing and protecting local habitats and ecology resourcing.
 - Addressing phosphates levels in rivers – wetlands and legacy phosphate
- **Transport and sustainable mobility**
 - Hereford City Masterplan and Transport strategy
 - Supporting low carbon and active travel
 - Delivering Bus Service Improvement Plan and declining commercial market
 - Highway maintenance - managing a declining network
 - Rural access to services

Economy and Environment Key Challenges and Issues

- **Developing a vibrant local economy**
 - Supporting economic recovery from Covid-19
 - Creating new high value jobs and training opportunities
 - Supporting the City and Market Towns to be vibrant, economic and cultural centres
- **Planning Service**
 - Addressing application backlog
 - Redesign for future exemplar delivery
- **Capital Project Delivery**
 - Internal and external resourcing issues
 - Supply chain issues

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Economy and Environment

Savings proposal

- EE1 Energy charges (Income generation)

2022/23

2023/24

2024/25

(£5,250)

(£750)

£0

What will change

- Free electricity on Council's charging point network will cease
- Solar PV recharges to 3rd party tenants at Halo and Twyford Court will increase

Why it will change

- Cost of electric vehicle (EV) energy usage will be recovered via concession contract
- Solar PV recharges will more accurately reflect costs

Anticipated challenges and issues

- Free EV charging was intended to stimulate uptake of EVs – reputational risk of removing
- Increase in solar PV recharges will be first since installation

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Economy and Environment

Savings proposal

- EE2 Introduce charges for non-domestic waste at the Household Recycling Centres (Income generation)

2022/23

2023/24

2024/25

£0

£0

(£345,000)

What will change

- Charges will be applied to disposal of soil, rubble (DIY waste), tyres and plasterboard etc. at Household Recycling Centres
- Reduced tonnages received at Household Recycling Centres

Why it will change

- Cost recovery for non-statutory services

Anticipated challenges and issues

- May be a negative impact on council recycling rate
- Unpopular with residents

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> • EE3 Waste collection charge increases (Income generation) 	(£25,000)	(£25,000)	(£25,000)
What will change <ul style="list-style-type: none"> • Charges will be reviewed and increased accordingly 			
Why it will change <ul style="list-style-type: none"> • Charges are reviewed annually to take into account inflation on collection and disposal and charges increased accordingly • Full cost recovery for chargeable waste management services 			
Anticipated challenges and issues <ul style="list-style-type: none"> • None – charges are regularly reviewed and remain competitive. Any reduction in service take up will reduce disposal costs 			

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Economy and Environment

Savings proposal

- EE4 Introduce parking charges in Kington (Income generation)

2022/23

2023/24

2024/25

(£21,500)

£0

£0

What will change

- Parking charges applied to all four car parks (currently only applicable to one) in Kington

Why it will change

- Car parking spaces will be better managed and space turnover increased
- Consistency with other market towns

Anticipated challenges and issues

- Some displacement may occur and may not be well received by existing users
- Unpopular with local community
- Small capital investment required

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> EE5 General parking charge increase (Income generation) 	(£170,000)	(£30,000)	(£200,000)
What will change <ul style="list-style-type: none"> Car parking charges increased by 10p per hour in 2022/23, no increase in 2023/24, and 10p per hour increase in 2024/25 			
Why it will change <ul style="list-style-type: none"> To reflect inflation in the public realm contract and encourage more people to use sustainable modes of travel 			
Anticipated challenges and issues <ul style="list-style-type: none"> Public acceptance – last increase May 2021 although review noted need for regular review Car parks under used due to COVID Displacement to residential streets or private car parks 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> • EE6 On street parking charges expansion (Income generation) 	(£29,000)	(£12,500)	£0
What will change <ul style="list-style-type: none"> • On street pay and display will be introduced in areas such as Commercial Road, Ledbury Road, St Martins Street and Penhaligon Way 			
Why it will change <ul style="list-style-type: none"> • More short stay spaces available for shoppers as space congestion reduced as charges aligned with car parks • Increased car park usage 			
Anticipated challenges and issues <ul style="list-style-type: none"> • Public acceptance • Displacement to other residential streets or private car parks • Capital investment required 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> • EE7 Moving traffic enforcement by camera (Income generation) 	(£33,500)	(£25,000)	£0
<p>What will change</p> <ul style="list-style-type: none"> • Camera enforcement for moving traffic offences will be introduced covering such areas as one way streets, banned turns, pedestrian zones, no entries, yellow box junctions, stopping on school keep clear markings, cycle and bus routes and restricted access/weight limits 			
<p>Why it will change</p> <ul style="list-style-type: none"> • Improvement of traffic flow • Prevention of illegal and dangerous driving • Improvement of safety and air quality at schools 			
<p>Anticipated challenges and issues</p> <ul style="list-style-type: none"> • Subject to Department for Transport statutory guidance due early 2022 • Capital investment required 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> EE8 Review of resident parking permit fees (Income generation) 	£0	(£30,000)	(£30,000)
What will change <ul style="list-style-type: none"> Residents' permit fees increased by £10 to £40 in 23/24 and by a further £10 in 24/25 			
Why it will change <ul style="list-style-type: none"> Cost recovery of service provision Encourages less car ownership where off street parking not available 			
Anticipated challenges and issues <ul style="list-style-type: none"> Implementation subject to consolidation of traffic regulation orders and implementation of map based scheduling 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> • EE9 Review of parking enforcement (Income generation) 	£0	(£50,000)	£0
What will change <ul style="list-style-type: none"> • Improved enforcement of car parks and on street restrictions 			
Why it will change <ul style="list-style-type: none"> • To improve traffic flow and provide more cost effective enforcement service 			
Anticipated challenges and issues <ul style="list-style-type: none"> • Revised working patterns may be needed 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> • EE10 Increase NRSWA income (New Roads and Streetworks Act) (Income generation) 	(£85,000)	(£15,000)	£0
What will change <ul style="list-style-type: none"> • Employment of two additional permit inspectors will increase recording of defects and overruns 			
Why it will change <ul style="list-style-type: none"> • Better management and maintenance of highway network through improved identification and rectification of NRSWA issues 			
Anticipated challenges and issues <ul style="list-style-type: none"> • Reputational risk if utility companies view enforcement as over zealous 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> EE11 Review capital/revenue splits in line with activity 	£100,000	£0	£0
What will change <ul style="list-style-type: none"> Percentage of time charged to capital more reflective of split between capital and revenue projects 			
Why it will change <ul style="list-style-type: none"> Staff time recharged to capital reflects level of activity 			
Anticipated challenges and issues <ul style="list-style-type: none"> Reduction in capital available for delivery of projects (off set by capital efficiency savings) 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> EE12 Plant utilisation 	£10,000	£0	£0
What will change <ul style="list-style-type: none"> Improved utilisation of plant and tools within public realm contract 			
Why it will change <ul style="list-style-type: none"> Reduces rental costs within public realm contract 			
Anticipated challenges and issues <ul style="list-style-type: none"> Careful programming of work to ensure plant availability to minimise impact on BBLP responsiveness/flexibility 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> • EE13 Invest to Save – purchasing plant items 	£34,265	£11,421	£0
What will change <ul style="list-style-type: none"> • Purchase of plant items instead of renting 			
Why it will change <ul style="list-style-type: none"> • Reduction in rental costs for plant 			
Anticipated challenges and issues <ul style="list-style-type: none"> • Liability for maintenance • Capital investment required 			

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Economy and Environment			
Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> EE14 Review of skips, scaffolds and drop kerbs' charges (Income generation) 	(£5,000)	(£1,500)	(£1,500)
What will change <ul style="list-style-type: none"> Charges for skip and scaffold permits and drop kerb applications will increase by 15% in 22/23 and 5% in subsequent years 			
Why it will change <ul style="list-style-type: none"> Cost recovery for service provision Charges comparable with other authorities 			
Anticipated challenges and issues <ul style="list-style-type: none"> There may be a reduction in applications and increase in non compliance 			

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Economy and Environment

Savings proposal	2022/23	2023/24	2024/25
<ul style="list-style-type: none"> EE15 Home to School/College Transport 	£40,000	£5,000	£0

What will change

- Journey planning software will be used to develop efficient routes reflecting reduced demand arising from policy change limiting free transport eligibility to nearest school.

Why it will change

- More efficient routes will reduce carbon, vehicle use is optimised, contracting costs reduced
- May encourage parents to choose nearest school consolidating demand for free transport

Anticipated challenges and issues

- Reduced availability of vacant seats limits service for ineligible riders and may increase car journeys
- In year service changes may cause disruption for riders affected

Corporate Directorate

Key Challenges and Issues

- Modernising the organisation – IT, future work models, recruitment
- Corporate Services responding to challenges with the organisation
- Legal pressures of c. £1 million including:
 - Impact of YY judgement and children’s improvement programme on workloads
 - Complexity of cases resulting in increased use of external counsel
 - Difficulty in recruiting permanent staff to restructured legal services (resulting in higher usage and therefore spend on agency staff)
- Democratic Services will require additional revenue if the recommendations of the Re-thinking Governance initiative is accepted in full and is implemented
- Corporate savings target of £210k for 2022/2023 that were highlighted in the 2021/22 MTFS are not achievable due to additional pressures in Legal and Programme Management Office (PMO)

Savings Proposals

Medium Term Financial Strategy

2022/2023

Central	
Savings proposal <ul style="list-style-type: none"> C1: Efficiencies in central services in treasury management and pensions. 	£500k Year 1
What will change <ul style="list-style-type: none"> Not applicable. This continues the current approach. 	
Why it will change <ul style="list-style-type: none"> Part of the council's ongoing efficiency initiatives. 	
Challenges <ul style="list-style-type: none"> Substantial increases in capital investment proposals over and above the approved capital programme will put this savings target at risk. 	

Savings Proposals Medium Term Financial Strategy 2022/2023 Summary

- **Savings required to balance the 2022/2023 Budget and 3 Year Medium Term Financial Strategy are £ 2.602 million**
- **This excludes Property Services savings of £1.26 million which will be funded from Collection Fund surplus**
- **Savings for 2022/2023 are not achievable for Children and Young People (£490k) and Corporate Services (£210k) for the reasons given above**
- **Economy and Environment savings of £1.384 million will be delivered over the 3 year term of the MTFS**