

BUDGET 2005/06

PROGRAMME AREA - ENVIRONMENT GENERAL

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction /Inc	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Highways	Roads Maintenance	3,422	730	20% less road and footway resurfacing schemes carried out as more minor repairs have to be funded from capital
				Road condition improvement targets unlikely to be met.
				LTP rating reduction likely.
				Potential impact on CPA.
				An increased number of insurance claims.
				Increase in capital expenditure through Local Transport Plan allocations will offset the reductions in revenue funding in 2005/06 but may not continue in 2006/07 and beyond.
TOTAL TARGET SAVINGS (NET)			730	

SERVICE PRESSURES

The FSS contains zero growth for highways maintenance in 2006/07 and 2007/08. Given that inflation is higher than average due to bitumen price rises as a result of oil price increases there will be a continuing reduction in service delivery.

It is intended to refocus funding within the Highways budget to enhance the streetscene initiative by an additional £100,000.

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PROGRAMME AREA - ENVIRONMENT GENERAL

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
b/f			730	
Highways	Public Conveniences	295	50	2 facilities closed earlier than proposed in Best Value Action Plans.
TOTAL TARGET SAVINGS (NET)			780	

SERVICE PRESSURES

From April 2006 Rural Bus Subsidy Grant (£0.75m) and Countryside Agency support (£0.25m) for public transport ceases. Unless this funding is renewed or replaced the provision for public transport will be reduced by two thirds.

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PROGRAMME AREA - ENVIRONMENT GENERAL

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction/ Inc 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
b/f			780	
Waste	Waste Collection (Trade)	93	40	Increase charge for green waste bags in
				Hereford City.
				No impact on composting targets expected.
Other	Cemeteries	77	10	Increase in fees 15% .
	Crematorium	355	40	Increase in fees 9.5% overall
TOTAL TARGET SAVINGS (NET)			870	

SERVICE PRESSURES

Waste collection will face a higher than inflation rate for the contract due to the contract index reflecting the increases in oil prices.

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PROGRAMME AREA - ENVIRONMENT REGULATORY

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction/ Inc 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
		b/f	870	
Landfill Sites	Contaminated Land	258	9	Less site works being carried out.
Trading Standards	Analysts fees	45	17	Less sampling overall.
Environmental Health and				
Trading Standards	Promotions	12	4	Reduced publicity for trading standards promotions
TOTAL TARGET SAVINGS (NET)			900	

SERVICE PRESSURES

Liquor licensing is due to take effect from Spring 2005.

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PROGRAMME AREA - ENVIRONMENT PLANNING

Service Area	Description	Current Budget Provision (£ '000)	Proposed Reduction/Inc 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
		b/f	900	
Development Control	Fees incl 2004/5 additional	851	400	Maintain income with no impact on performance
	income carried forward			
TOTAL TARGET SAVINGS (NET)			1,300	

SERVICE PRESSURES

A reduction in planning applications would mean less income.

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PROGRAMME AREA - POLICY & FINANCE - POLICY & COMMUNICATION

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Policy & Communication	This includes the Head of Policy & Communication and secretary, plus the Policy development fund and corporate publications. Proposed reduction relates to the deletion of the vacant Secretary post. Review of Herefordshire Matters.	230	20 50	The Director has commissioned a study to produce a business case. Production will be on a trading account basis. The figure at this stage is indicative within a range of £50k to £90k.
Public Relations	This team is responsible for media relations, information campaigns, media training/monitoring, internal communication, graphic design and corporate identity. Also includes the budget for Three Counties Show. Proposed savings are from non-attendance at Three Counties Show (£16k), issuing Core News Specials electronically (£2k) and miscellaneous small budget reductions (£2k).	195	20	Attendance at the Three Counties Show has promoted the County rather than the Council, but those promotional benefits can be achieved through other economic development/tourism initiatives.
Corporate Policy & Research	This service area is responsible for developing and supporting the achievement of the Council's strategic aims and objectives, and the provision of a research and intelligence service on a corporate basis. Proposed reductions include bringing Herefordshire Voice in-house (£5k) and staffing budget reductions - salary costs & non-replacement of admin post (£9k).	370	14	Review to be undertaken to identify essential corporate and partnership work and potential for rationalising work load and resources.
Information Security	This team was responsible for ensuring that appropriate levels of security maintained the confidentiality, integrity and availability of information. Reductions are proposed on the staffing budget. It is proposed to vire budget to fund the Senior Archivist post, which is currently funded until 31st March 2005 (£35k p.a.).	172 (35)	17	To address statutory requirements to ensure compliance with Freedom of Information Act.
	Virement to ICT for Information Security post.	(42)		Reflects need to address specific issues raised by Audit Commission.

INFO	INFO provides access to Council and partner services through INFO shops and INFO Help points. The proposed reduction is the deletion of the project budget, initially set up for the Contact Centre.	782	82	An alternative use of this budget would be to pump prime the Service Improvement Programme.
All Policy & Community Directorate service areas in P&F (excluding ICT)	Non-application of inflation uplift for non-salary budgets	465	11	
TOTAL TARGET SAVINGS			214	

SERVICE PRESSURES

Anticipated overspend on the CCTV budget in 2005/06 of at least £15,000. Further legislation e.g. the Licensing Act could result in pressure to move to 24 hr coverage.

(Monitoring currently takes place Sun-Thurs 8am - 1am, Fri-Sat 8am-3am.) Discussions are planned with the Police and Town Councils regarding partnership funding.

Service reductions will need to be considered if additional partnership funding is not secured.

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PROGRAMME AREA - Policy & Finance - Support Services (Human Resources)

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Human Resources	- Restructure	738	5	The savings identified above can be made without any serious adverse effect on the provision of HR services. The majority of the savings will be made from reducing transportation costs and the spend. The remainder will be made from staffing as the result of the ending of a supplies and services temporary contract of employment.
	- Running costs		25	
TOTAL TARGET SAVINGS			30	

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PROGRAMME AREA - Policy & Finance - Support Services (County Secretary & Solicitors)

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Legal Services	Staffing review	795	46	Turnaround time targets may not be met.
	Additional income (CFA)		75	None identified
CSS Department support	Running costs savings	172	5	None identified
Members' Support and Members' Expenses	Promoting the cost conscious council	1,112	10	None identified
TOTAL TARGET SAVINGS			136	

SERVICE PRESSURES

There will continue to be service pressures on the CSS Department in relation to the following service initiatives required by legislative change including Freedom of Information Act, Local Government Act 2000 and the Licencing Act. .

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PROGRAMME AREA - Policy & Finance - Support Services (County Treasurer's)

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Financial Policy & Audit, Accountancy and Exchequer Services	- Restructuring	1,703	51	Audit Commission place increasing reliance on the work of Internal Audit and require more Corporate Governance activity each year in accountancy terms. Increasing workload with reduced resources may impact on Auditors Scored Judgement, which feeds into the Comprehensive Performance Assessment scores for use of resources.
	- Running Costs		105	General economies but some reliance on improved network capacity to improve use of electronic forms for payment of expenses via Payroll. Failure would impact on capacity to maintain effective payroll service. No significant impact on key performance issues but eliminates capacity to absorb emerging pressures and resource replacement IT systems.
Revenues and Benefits	- Restructuring	908	152	May impact on efficiency of cash collection, including parking fines. Best Value Performance Indicators for Council Tax and Business Rates collection (BV9 and BV10) may be affected. Assumes continued progress in securing payment by direct debit etc rather than cash. Excludes savings anticipated in Benefits through the Service Improvement Programme.
	- Running Costs		26	No significant implications but affects capacity to absorb emerging pressures.
TOTAL TARGET SAVINGS			334	

SERVICE PRESSURES

General thrust to secure economies and more efficient service delivery i.e. Gershon Review will require evaluation and support. Move to 'Whole of Government Accounting' will result in additional workload. Increasing demands from enhanced CPA criteria.

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PROGRAMME AREA - Policy & Community - ICT Services

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
ICT	Procurement - 5% reduction	300	15	} Reinvest in priority areas
	Software	10	5	
	Internet/Intranet	3	2	
	Telephone Costs - 5% reduction	26	2	
	Rental Reduction - suite 10	5	2	
	Staff Savings	2,400	53	
	Transport	43	2	
	Training	80	30	
	E Gateway Platform	9	9	
	Agency	415	-	
	Recruitment Costs - includes staff advert & relocation etc saving 15%	48	-	
	Loan			
TOTAL TARGET SAVINGS			120	

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PROGRAMME AREA - Policy & Finance - Property

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction /Inc 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
Property Maintenance	Planned Maintenance	1,203	200	A reduction in Property Maintenance would allow the ongoing Property budget deficit to be reduced over the next four years.
				Property maintenance would mainly consist of reactive and emergency works rather than planned maintenance.
				Not required if reserves used to reduce deficit.
Markets and Fairs	Fees and charges	200	5	An increase in charges of 2.5% above the rate of inflation (5% in total).Excludes Butter Market etc
TOTAL TARGET SAVINGS (NET)			205	

SERVICE PRESSURES

Repairs backlog will grow and could reduce the value of properties when sold in the future.

BUDGET 2005/06

PROGRAMME AREA - Social and Economic Development - Efficiency Savings

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
<u>Social Development</u>				
Cultural Services	Arts and Tourism Services including revenue support to Courtyard and operation of 7 TIC's. Reductions include non-replacement of vacant posts.	1,347	30	
Heritage Service	Management of County heritage collection, operates 5 Heritage Centres/ Museums, education and community access, mobile museum. Reduction of provision for redundancies no longer required.	550	13	
Youth Service	Advice to young people, operation of youth and outdoor centres, outreach programmes, accreditation schemes. Reductions in youth worker hours.	917	18	Reduction in face-to-face youth work delivery with young people. Impact on ability to meet national standards and targets.
Leisure Client	Management fee to Halo for running of Leisure facilities. Leasing and maintenance costs. Reduction in the annual management fee.	1,400	25	Requires Halo to deliver same level of efficiency savings as Council.
External Liaison	Sports development, GP referral scheme, Play Development. Reductions in operating costs and promotion work.	300	3	
Directorate Support	Administrative support to Directorate. Deletion of vacant post	290	20	
Libraries	Ten libraries, 3 mobiles, Schools service, ICT systems and peoples network. Savings in marketing, stationery, ICT and staff costs, increased charges for schools and customers.	1,987	53	
Additional programme area saving	Freeze inflation on non-employee costs (adjusted for contractual payments)		89	
Additional programme area saving	Support for partnership activities that have reduced through re-negotiated arrangements.		50	
SOCIAL DEVELOPMENT TOTAL TARGET SAVINGS			<u>301</u>	

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PROGRAMME AREA - Social and Economic Development - Efficiency Savings

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
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<u>Rural Regeneration & Smallholdings</u>				
Herefordshire Partnership	Development and management of Herefordshire Plan and Partnership, policy and regeneration, Lifelong Learning. Reductions include savings in publications and events budgets.	538	11	May impact on ability to match-fund externally funded projects.
Community Regeneration	Support for community-led regeneration, town centre management, SRB and other funding. Reductions in operating costs.	350	13	
Additional programme area saving	Freeze inflation on non-employee costs (adjusted for contractual payments)		12	
Additional programme area saving	Budget for objective 2 project monitoring and record keeping costs no longer required as programmes wind down.		30	
RURAL REGENERATION TOTAL TARGET SAVINGS			66	

<u>Economic Development, Markets and Property</u>				
Business Support	Marketing Herefordshire worldwide to attract investment, support, advice, grants and workspace. Reduction through savings in operating costs.	417	10	
Community Regeneration	Support for community-led regeneration, town centre management, SRB and other funding. Reductions in contribution to Hereford City Partnership.	350	10	
Additional programme area saving	Freeze inflation on non-employee costs (adjusted for contractual payments)		6	
ECONOMIC DEVELOPMENT TOTAL TARGET SAVINGS			26	

TOTAL SOCIAL & ECONOMIC DEVELOPMENT SAVINGS	393
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SERVICE PRESSURES :

Parks and Countryside - £100,000 shortfall in base budget resulting from adopted land, inflationary issues and Britain in Bloom costs.

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PROGRAMME AREA - Social and Economic Development Strategic Options and other Reductions

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
<u>Social Development</u>				
Cultural Services	Arts and Tourism Services including revenue support to Courtyard and operation of 7 TIC's. Reduction in Arts and Courtyard funding, closure of TIC's.	1,347	104	Subject to review of TIC leases and opportunity/capacity to accommodate in other buildings. Public increasingly using internet to research/book holidays. Courtyard capital grant repayment ends 04/05. Proposal needs to be considered in conjunction with scrutiny review.
Youth Service	Advice to young people, operation of youth and outdoor centres, outreach programmes, accreditation schemes. A detailed review of the service is underway. The savings assume closure of one large Youth Centre.	917	20	Failure to meet 4 key national standards and targets.
Parks and Countryside	Management and development of parks, open spaces and countryside sites, grant funding to AONB's. Introduce car parking charges at Queenswood Park.	1,238	25	Charges may deter visitors to Queenswood. Failure to achieve projected income would require budget reductions in other areas of service delivery e.g. play areas.
External Liaison	Sports development, GP referral scheme, Play Development. Cease cash contribution towards Connexions SLA for Youth Advocacy worker.	300	17	This is a statutory service. Education and Social Care will have to increase their contribution.
Leisure Client	Management fee to Halo for running of Leisure facilities. Leasing and maintenance costs. Introduce car park charges at Hereford LC.	1,400	-	Charges may impact on usage and Halo income streams. Potential conflict arising from users using retail car parks opposite.
Libraries	10 libraries, 3 mobiles, Schools service, IT systems and network. Reductions include closure of small libraries.	1,987	20	Would need to be undertaken in conjunction with review of mobile library services and other potential service options. Could impact on performance against library standards.
Community Regeneration	Voluntary sector grants - one-off grants and SLA's to strategic voluntary sector organisations. Reduction in one-off grants and associated officer time.	671	30	Includes suspension of one-off grants to voluntary sector. Would release approximately 1 FTE officer. Needs to be considered in the light of service improvement review findings which will be presented to Cabinet shortly.
SOCIAL DEVELOPMENT TARGET SAVINGS			216	

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PROGRAMME AREA - Social and Economic Development Strategic Options and other Reductions

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
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<u>Rural Regeneration & Smallholdings</u>				
Herefordshire Partnership	Development and management of Herefordshire Plan and Partnership, policy and regeneration, Lifelong Learning. Reduction in Partnership development and promotional work.	538	50	May impact on ability to match-fund externally funded projects.

RURAL REGENERATION TARGET SAVINGS

50

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PROGRAMME AREA - Social and Economic Development Strategic Options and other Reductions

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
<u>Economic Development, Markets and Property</u>				
Business Support	Marketing Herefordshire worldwide to attract investment, support, advice, grants and workspace. Reductions in support to outside bodies (Chamber, Business Link, Business Show).	417	60	Potential impact on business development opportunities in Herefordshire.
ECONOMIC DEVELOPMENT TARGET SAVINGS			60	

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PROGRAMME AREA - EDUCATION - SCHOOLS BUDGET

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Individual Schools Budget		61,658		
	Changes in pupil numbers		33	Maintaining the viability of small schools
	School Closure		35	providing rich educational opportunities for pupils
	Revision of SEN Allowance		137	
Other Schools Budget		11,289		
	Nursery Places		200	Reduced take up of places
TOTAL TARGET SAVINGS			405	

Savings reinvested within Schools Budget.

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PROGRAMME AREA - EDUCATION - BUDGET OUTSIDE SCHOOLS

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction 2005/06	Key Performance Issues (to include summary of specific impact on performance measures and implications)
Costs outside Schools Budget		11,107		
	Schools computer support		20	Provision of high quality support services
	Awards and Grants		50	Enabling students to benefit from Post-16 learning opportunities
	Net Efficiencies in school transport		300	Provision of cost effective services
	Gershon savings		100	Provision of cost effective services
	Other savings		100	Provision of cost effective services
TOTAL TARGET SAVINGS			570	

£270,000 reinvested

£300,000 additional corporate charges to Education contributing to budget reductions.

BUDGET 2005/06 - 2007/08

PROGRAMME AREA - SOCIAL CARE AND STRATEGIC HOUSING-STRATEGIC HOUSING

Service Area	Description	Current Budget Provision (£'000)	Proposed Reduction/ Inc	Key Performance Issues (to include summary of specific impact on performance measures and implications)
			2005/06	
Strategic Housing		1,380		
	Information system/ service improvements		(5)	Increased joint working/improved service to the public
	Managing sickness absence		(6)	Reduction in no. of days lost and resultant savings in costs of temporary
	Other Procurement		(12)	Increased efficiency in procurement
NET INVESTMENT SHOWN CUMULATIVE		1,380	(23)	
Made up of				
Efficiency and other savings Strategic Housing in year			(23)	
Plus change in base budget from previous year(s)			n/a	
NET INVESTMENT SHOWN CUMULATIVE			(23)	

SERVICE CHALLENGES

Making progress on the affordable housing gap and homelessness (will require capital investment estimated at £5.3m in 2005/06)

Ensuring the Supporting People grant allows sustained improvements

Supporting improvement in Older People's Services and addressing demographic demand

Building the right workforce to support changes and improvements

Resource pressures, required efficiency/gershon savings